

III. Where should the public inspection file be kept?

1. The public file of each station must be kept in the community in which the main studio of the station is located or, in the case of construction permit applications, proposed to be located. It can be kept at the main studio, the transmitter, the station's business offices, a local attorney's office, a public registry for documents, or any other place accessible to the public during all regular business hours.
2. The complete file must be kept in one place. For example, a broadcaster who owns a newspaper in the same town cannot keep the ownership report at the newspaper and the remainder of the file at the station.
3. A licensee with two or three stations in a community of license must maintain a separate public file for each station. Since most applications and reports relate to only one station, ordinarily the files will not be duplicative. Copies of applications or reports that apply to more than one station in the same community -- most frequently, ownership reports -- must be maintained in the public

file of each of the stations if the files are in different buildings. If public files for more than one station are kept in the same building, they can be clearly cross-referenced and duplicate copies need not be inserted.

IV. How should the public inspection file be kept?

1. Different stations use different places to maintain their files. It is convenient if the file is kept and used in an office where employees are working. In this way, the station can keep an eye on the file while it is being used by a member of the public without assigning an employee to hover over the file user. The FCC has stated that setting aside an area with a table at which the public may inspect the records was "in keeping with the spirit of the Commission's public inspection requirements."
2. Political time material can be kept in a separate binder where it can be used by persons interested solely in political time purchases. All of the other public file materials may be kept in any convenient manner, such as a single file arranged in chronological order with the most recent item on top. Binding the file together

with an ACCO or other fastener will reduce the likelihood of pages being stolen. Placing plain dividers between each item in the file will facilitate a quick check of it after it has been used to make sure no items have been removed.⁵

3. The file should be kept separate from other station documents and files. It should not be used by station employees for work purposes.
4. The file does not have to contain originals, only copies.
5. Care should be taken that no marks are made on the documents in the public inspection file by station employees or members of the public using the file.
6. One person can be assigned the responsibility of filing documents in the public inspection file so that he or she is responsible for regularly checking the file to insure that the required and only the required documents are

⁵ Some stations write or stamp numbers on all pages in the public file to provide a quick means of checking whether any pages have been stolen or misplaced.

contained in it. Some stations find it convenient to assign this responsibility to the General Manager's secretary.

7. The file must be current, that is, materials required to be included must be inserted as soon as possible after they are filed at the Commission. The only delay should be unavoidable mailing delays. In such a case the Commission has held that making a draft copy available to a member of the public is a satisfactory temporary solution until the copy of the final document arrives in the mail. Renewal applications must be placed in the file on the day of filing in Washington.

V. Who has access to the public inspection file?

1. Any member of the public may inspect the files during the regular business hours of the station.
2. The station employee who has custody of the public file can and should request proper identification of each individual requesting access. Proper identification means name and address only. The station employee may request, but cannot demand, that a person asking to use

the file disclose his or her group affiliation and the purpose of the public file examination. A record of the names and addresses of all file users should be maintained by the station (not as part of the public file).

VI. What procedure should be followed in providing access to the public inspection file?

1. Any person requesting the public file should be treated courteously by all station personnel. We recommend that some responsible management person talk with all persons requesting the public inspection file. Many problems and questions can be answered and misunderstandings avoided by an informal discussion. Such a discussion can also reveal why the file is being reviewed. Note, however, that a user of the file has the right to refuse to talk to station personnel (other than to provide his or her name and address).
2. A station employee is not required to stay with the files while they are being inspected. While some stations insist that an employee sit with any person using the file, we believe that such a practice can be unnecessarily

irritating to the user. It is wise to check the file after each inspection and before the inspecting party leaves the building to insure that no documents have been removed.

3. Both radio and television stations are required to make copies of any material in the public file for members of the public who request copies. The station may impose a reasonable charge for copying. Reproduction must be made within seven days of the request. Requests must be made in person.
4. A station may want to notify counsel when a request for the public file has been made, and should do so if its renewal application or any other major application is pending at the time.

VII. How long are the documents to be kept in the file?

1. Applications listed in Section I(A) above must be retained in the public file by television stations for five years and by radio stations for seven years from the date the material is tendered for filing with the Commission, or, if later, until the grant of the station's next renewal application.

2. Political time records are required to be kept for only two years.
3. Engineering material pertaining to a former mode of operation must be retained only three years after a station begins operating with a new or modified mode of operation.
4. Letters from the public should be kept in the file for three years after they are received.
5. The issues/program lists must be retained for the term of the license, five and seven years for television and radio respectively. No lists for a current license term should be discarded until the renewal for the forthcoming license term has been granted and has become final.
6. Certifications that pre-filing and post-filing renewal announcements have been broadcast must be retained in the public inspection file for as long as the renewal applications to which they refer.
7. Material in the file having a substantial bearing on a matter which is the subject of a claim against the licensee, or relating to a Commission investigation or a complaint to the Commission

must be retained until the material may be discarded. If the matter is a private one, the material may be discarded from the file after the claim has been satisfied or is barred by the statutes of limitations.

8. Note that the public file must include one granted renewal application and related material. If a renewal application is pending, a station must keep its last renewal application in the file until the current application is granted, even if the last application is more than five years old (for television) and seven years old (for radio). Only after the pending application is granted can the older application and related material be discarded.
9. The "Public and Broadcasting" Procedure Manual must be retained indefinitely. (The manual is largely outdated, and we expect that the Commission will eventually either revise the manual or abolish this requirement.)
10. A literal reading of the Rule establishes no end date for retention of ownership reports and Annual Employment Reports. Although we believe the Commission to have intended the

same retention period for these documents as for applications, the safest practice is to retain them indefinitely.

11. After the period has expired during which an item must be retained in the public file, the station can still voluntarily retain it, in the public file or elsewhere. Materials retained in this way must still be made available to the public upon written request and at a time and place convenient to the station and the inquiring party. To avoid this inconvenience, as the required retention period for each file item expires, the item should be discarded.

VIII. Assignment or transfer: Who maintains the file?

1. The seller maintains the public file until the assignment or transfer is consummated. The buyer then maintains the file from the day notice of consummation is filed with the Commission. The file maintained by the buyer covers the period both before and after the assignment or transfer. The buyer is responsible for obtaining copies of the necessary documents from the seller or from the Commission.

IX. How Koteen & Naftalin handles public file materials.

Koteen & Naftalin files with the Commission for most of its clients most of the applications, reports and other items that are required to be included in the public file. We furnish the station involved with a copy of each such document with a large "Public File" stamp on it. In addition, the fact that the item belongs in the public file is indicated on the blind copy of the transmittal letter to the FCC which is sent to the client. "(PI)" or "Public File" is noted after the name of the person to whom the public file copy is sent.

By following this procedure, correctly maintaining the public file should be a purely mechanical task which can be done by any responsible member of the station's clerical staff. Only those items filed by us which have the "Public File" stamp on them go in the public file. Nothing received from us which is not stamped "Public File" goes in the file. The only items which are included in the file which do not carry that stamp are those we do not file, such as political time purchase records and letters from public.

X. Conclusion

We have tried to make this memorandum as specific and detailed as possible and suggest that it be kept (not in the public file) available for future reference. If you have

questions about whether particular items should be included in the public file which are not answered by this memorandum, please contact us directly.

This memorandum is revised periodically to reflect changes in the FCC's Rules. When a revised version is received, all prior versions should be discarded.

Koteen & Naftalin

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April 12, 1989

FCC SHIFTS FOCUS IN REVIEWING STATIONS' EEO EFFORTS

The FCC's continuing vigorous enforcement of its equal employment opportunity regulations has been a notable exception to the otherwise steady course of broadcast deregulation. That continues to be the case today. In recent months, however, the FCC's focus has shifted from what had been almost sole concentration on stations' minority and female employment percentages. Now, while employment percentages are still important, the Commission's staff is looking much more closely at the efforts stations make to attract minority and women employees under their equal employment opportunity programs.

In practical terms, this means that all stations must be able to show that their recruitment efforts result in significant numbers of minority and female job applicants -- "applicant flow" is the term usually used. The number of minority and female "referrals" a station receives from each of its recruitment sources is normally shown on the EEO form filed as part of its renewal application. The station may also demonstrate that its applicant flow is satisfactory by showing that significant numbers of minorities and women have been inter-

viewed for jobs at the station, whatever their referral sources may have been.

All of this requires continuing record keeping as to the race, sex and referral source for each employment applicant who is actually interviewed. That information must be kept with respect to each position a station fills.

- "Referral" information can be obtained by putting a separate question on employment application forms. The question should ask every employment applicant to state the name of the individual or organization, if any, that referred the applicant to the station, or to identify any other source (such as a newspaper ad) that brought the applicant to the station.
- Information as to the race and sex of employment applicants should be kept on a separate page to be completed by a station's interviewer and not attached to the application form itself. This information can be based on an interviewer's reasonable observational judgment. The reason that the information should not be kept as part of each applicant's own file is that maintaining such information as to the race and sex of employment applicants is

lawful in many states only if it is done for the purpose of monitoring the effectiveness of an equal employment opportunity program.

The inclusion of a "referral" question on station application forms, as indicated above, may also provide some referral information with respect to persons who come to a station and fill out an application form, even when the persons are not formally interviewed.

The person in charge of a station's equal employment effort should review all this information periodically. If a station's equal employment administrator finds that minority and female applications for station positions are not being received in numbers roughly proportional to the local minority and female work force availability percentages, the station should take whatever steps are necessary to increase minority and female applicant flow. It may be necessary, for example, to contact more minority recruitment sources, or to place advertisements in additional minority publications, or to recruit more aggressively at schools with substantial minority and female enrollments.

None of this is to say that employment statistics are no longer important. If a station should fall below the FCC's "50% of labor force parity" processing standard, or if the trend of its minority and female employment percentages is

consistently downward, that may still provide a reason for the FCC's staff to single out the station for special inquiry at renewal time. (The station may also be confronted with petitions to deny its renewal if its minority or female employment numbers are significantly under local labor force figures.) The recent change in FCC policy has been in the fact that employment percentages that exceed the processing guidelines no longer guarantee a station immunity from special FCC scrutiny. If few minority or female referrals are shown on the renewal application, and if a station cannot show that minorities and women are applying for available positions, it may nonetheless be asked to increase its recruitment efforts.

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OF COUNSEL

March 15, 1990

QUARTERLY REMINDER ON ISSUES/PROGRAMS LISTS

This is our quarterly reminder that every radio and television station must place its quarterly "Issues/Programs Lists" in its Public Inspection File on or before April 10, 1990. The FCC's requirements for these lists have not changed since last quarter. Please let us know if you have any questions or would like copies of pertinent Koteen & Naftalin memoranda describing requirements for, and formats of, satisfactory Issues/Programs Lists.

If you would like us to review copies of your list prior to the public file date, we would appreciate receiving a copy no later than April 5th. In any event, we would like to receive a final copy for our own files.

A copy of this reminder should be distributed to all station personnel who are responsible for preparing Issues/Programs Lists.

KOTEEN & NAFTALIN

Copies to: Alan Box
 Jack Gooley
 Gary Brobst
 John Winkel
 All Station General Managers

WBZZ Exhibit No. 5
Attachment, p. 144

WBZZ Annual Audit



*OK
WAA
Mail to Board
7/15/91*

The Board of Directors
EZ Communications
Mr. John Sherwood
P.O. Box 323
Fairfax, Virginia 22030

July 10, 1991.

Members of the Board:

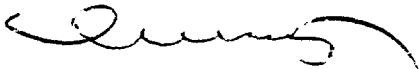
This is in response to our annual audit conducted at WBZZ on June 18 and 19, 1991 by Barbara Greene of Murray, Johnson and White. I received the review dated July 1, 1991 on July 10, 1991. I am very pleased with this clean audit and take pride in knowing that previous noted items have been corrected or improved. I will continue to make sure we meet or exceed these standards in the future.

1. No response required.
2. No response required.
3.
 - a. There are still a few accounts that do not sign contracts, however we do note a purchase order number on the contract which is authorized by the client.
 - b. No response required.
 - c. No response required.
 - d. I will meet with programming and institute a fail safe program to insure that every page of the program log is signed. Each Department Head has always signed off on the cover page of the program log. I will, again, explain the reason for this and remind them that by affixing their initials the log has been checked for that specific day.
4. No response required.
5. I will enact the same fail safe policy with engineering and programming regarding the operating log and the EES Test. This will be corrected immediately and will not appear on next years audit.
6. The \$5000 amount that is mentioned in the review was approved by me. This was with Broadcast Marketing and to save money, I told Karen Pascale and Marianne Pace to save this amount for future hotel space for national travel, rather than spend cash. I considered this a cost cutting factor and in the best interest of the Company's cash flow.

7. No response required.
8. No response required.
9. No response required.
10. No response required.
11. The Public file will be reorganized to assure that all similar materials are under the same indexed heading.
12. No response required.
13. No response required.
14. No response required.
15. It will be my recommendation to Department Heads to become more active in job fairs, whenever possible.

If you have any questions about the responses to this annual audit I am available at your convenience.

Sincerely,



Edward "Tex" Meyer
Vice President General Manager

cc: Arthur Kellar
Alan Box
Woody Allen
Rainer Kraus

July 1, 1991

OK
Boord
7/9/91

The Board of Directors
EZ Communications, Inc.
Mr. John Sherwood
P.O. Box 323
Fairfax, Virginia 22030

Members of the Board:

We submit herewith our report on station operations for WBZZ Radio in Pittsburgh, Pennsylvania. Our review was conducted at the offices of WBZZ on June 18 and 19, 1991. Our examination covered the following aspects of station operations:

1. Review of previous examination findings
2. Internal controls
3. Sales and billing procedures
4. Review of political rate calculations
5. Completion of FCC checklist
6. Trade accounting procedures
7. Cash receipts procedures
8. Review of accounts receivable balances and collection efforts
9. Adequacy of physical controls of petty cash checkbook, computer disks, blank invoices, customer files, trade inventory, and promotional merchandise
10. Review of internal audit files
11. Review of public inspection file
12. Broadcast monitoring
13. Review of sales commission calculations
14. Review of broadcast order contractual compliance
15. Review of personnel procedures

The following comments and suggestions are a result of our observations during the examination and are not the result of a more detailed review which might reveal other areas of suggested improvements or modifications in procedures:

1. We reviewed the findings noted in our previous examination of WBZZ. All items noted have been corrected or improved.
2. An internal control questionnaire was completed with Tex Meyer, Station Manager. Based on this review, no weaknesses in internal control were noted.

The Board of Directors

July 1, 1991
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3. Various procedures were employed to test the accuracy of billings as determined by the actual broadcasting of commercial spots. Our comments relating to billing procedures are described below:
 - (a). In our review of broadcast orders, we noted that some of these documents still do not include evidence of customer approval. However, it was noted that the corporate policy of stamping the confirmation order that it will be considered "correct unless notification from the client is received" is being followed.
 - (b). We reviewed customer files for participants of EZ Marketing Seminars for the required stamping of invoices to indicate that additional benefits were included in the cost of advertisements. We noted that invoices were properly stamped. Additionally, it was noted that the trip status reports used to monitor advertising usage, were properly maintained.
 - (c). Our review of co-op advertising revealed that the station is in compliance with corporate policy.
 - (d). Based on our review of program logs, it was noted that many log pages bear no signatures by on-air personnel. We recommend that all personnel be reminded of this requirement and that logs routinely be reviewed for signatures.
4. An examination of the system of accounting for political advertising was performed. All procedures and rates were sufficiently outlined in a political rate card prepared by station management.
5. Based on the completion of the FCC checklist, it was noted that EBS tests have been logged at one time on the broadcast log and at a different time on the operations log. Increased care should be taken to record, on both logs, the exact times these tests are aired. We also noted that operations logs have not been consistently signed by the Chief Operator documenting his review.
6. We reviewed accounting for trade transactions and noted good compliance with corporate guidelines in all areas except that one trade currently exceeds the \$5,000 maximum allowable balance owed to the station.
7. We reviewed accounting and control procedures over the cash receipts system and found them to be operating in accordance with corporate policy.
8. We reviewed accounts receivable aging reports to assess collection efforts and documentation of these procedures. Based on this review, it is our opinion that station management is doing a good job of monitoring accounts receivable.
9. As part of our examination, we inspected the physical controls and security of the petty cash checkbook, computer disks, blank invoices, customer files, and promotional merchandise. Security is good for these items.
10. We reviewed internal audit files for compliance with corporate policy. We noted that reporting requirements were satisfied on a timely basis.
11. We examined the public inspection file and noted that it contained all pertinent information. However, it is recommended that the file be reorganized to assure that all similar materials are filed together. This will insure easy access to requested materials and afford members of the public the ability to quickly locate the items they are seeking.

The Board of Directors

July 1, 1991
Page 3

12. In our performance of broadcast monitoring, comparing spots aired with program logs, no problems were noted.
13. We reviewed the system for the calculation and payment of sales commissions. We noted appropriate controls and compliance with station regulations for these payments.
14. We reviewed contractual compliance on broadcast orders in accordance with terms specified on contracts. No problems were noted.
15. An examination of personnel procedures revealed that the station is doing a good job in following corporate procedures in documenting Payola/Plugola affidavits and employment eligibility verification forms and in following EEO hiring procedures. However, we noted that WBZZ management has not been participating in minority events or job fairs. We recommend that WBZZ management make a strong effort to participate in job fairs and minority events whenever possible.

We feel WBZZ management is to be commended for its continuing efforts in monitoring station operations.

We will be pleased to discuss our comments and recommendations with you further at your convenience, and we appreciate the cooperation we received in conducting this examination.

Very truly yours,

MURRAY, JONSON, WHITE & ASSOCIATES, LTD.

By


Randolph Shapiro

RS/mv

cc: Arthur Kellar
Alan Box
Woody Allen
Gary Brobst
John Wood
Glenn Saunders
Rainer Kraus
Tex Meyer
John Wright